CHAPTER 205

EDUCATION - PUBLIC SCHOOLS

SENATE BILL 01-082

BY SENATOR(S) Matsunaka, Fitz-Gerald, Tupa, Windels, Gordon, Hagedorn, Hanna, Hernandez, Linkhart, Nichol, Pascoe, Perlmutter, Phillips, Reeves, and Thiebaut;

also REPRESENTATIVE(S) Spence, Boyd, Coleman, Daniel, Dean, Groff, Hodge, Hoppe, Jahn, Lawrence, Lee, Marshall, Miller, Plant, Romanoff, Stafford, Williams S., Williams T., and Young.

AN ACT

CONCERNING THE IMPLEMENTATION OF SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Title 22, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 55 State Policies Relating to Section 17 of Article IX of the State Constitution

- 22-55-101. Legislative declaration. (1) The General assembly hereby finds and declares that:
- (a) Section 17 of article IX of the state constitution, which was approved by the registered electors of this state at the 2000 general election, requires the general assembly to increase funding for preschool through twelfth grade public education and for categorical programs.
- (b) Specifically, section 17 of article IX of the state constitution requires:
- (I) A SPECIFIED PERCENTAGE OF STATE INCOME TAX REVENUES COLLECTED ON INCOME EARNED ON OR AFTER DECEMBER 28, 2000, TO BE DIVERTED TO A NEWLY CREATED STATE EDUCATION FUND FROM WHICH MONEYS MAY BE APPROPRIATED ONLY FOR SPECIFIED EDUCATION-RELATED PURPOSES;

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

- (II) The general assembly to annually increase the statewide base per pupil funding for public education from preschool through the twelfth grade and total state funding for all categorical programs by at least the rate of inflation plus one percentage point for state fiscal years 2001-02 through 2010-11, and by at least the rate of inflation for state fiscal year 2011-2012 and each succeeding state fiscal year; and
- (III) THE GENERAL ASSEMBLY TO ANNUALLY INCREASE THE GENERAL FUND APPROPRIATION FOR TOTAL PROGRAM EDUCATION FUNDING UNDER THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE, OR ANY SUCCESSOR ACT, FOR EACH STATE FISCAL YEAR FROM 2001-02 THROUGH 2010-11 BY AT LEAST FIVE PERCENT OVER THE AMOUNT OF THE PRIOR YEAR'S GENERAL FUND APPROPRIATION FOR TOTAL PROGRAM EDUCATION FUNDING, UNLESS COLORADO PERSONAL INCOME GROWS LESS THAN FOUR AND ONE-HALF PERCENT BETWEEN THE TWO CALENDAR YEARS PRECEDING THE STATE FISCAL YEAR IN WHICH AN APPROPRIATION IS MADE.
 - (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:
- (a) It is the duty and intent of the general assembly to comply with the requirements of section 17 of article IX of the state constitution.
- (b) It is within the legislative prerogative of the general assembly to enact legislation to implement section 17 of article IX of the state constitution that will ensure compliance with the requirements of said section 17 of article IX and facilitate its operation.
- (c) In enacting legislation to implement section 17 of article IX of the state constitution:
- (I) The general assembly has attempted to interpret the provisions of section 17 of article IX of the state constitution in a manner that gives its words their natural and obvious significance.
- (II) The general assembly has attempted to ascertain the intent of the proponents who initiated section 17 of article IX of the state constitution and the voters who adopted it and to apply other generally accepted rules of constitutional construction where the meaning of said section 17 of article IX is uncertain.
 - (3) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:
- (a) BECAUSE THE AMOUNT OF FUNDING PROVIDED FOR THE PRIOR STATE FISCAL YEAR PLAYS A SIGNIFICANT ROLE IN THE CALCULATION OF THE MINIMUM AMOUNT OF THE INCREASE IN STATE APPROPRIATIONS FOR EDUCATION REQUIRED FOR EACH STATE FISCAL YEAR BY SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION, THE AMOUNT OF MONEY THAT THE STATE WILL BE REQUIRED TO SPEND FOR EDUCATION FUNDING FOR EACH STATE FISCAL YEAR WILL INCREASE DRAMATICALLY OVER TIME DUE TO A COMPOUNDING EFFECT.
- (b) SINCE SECTION 17 OF ARTICLE IX OF THE STATE CONSTITUTION DOES NOT CREATE ANY NEW TAX, INCREASE THE RATE OF ANY EXISTING TAX, OR OTHERWISE

INCREASE THE AMOUNT OF REVENUES THAT WILL BE COLLECTED BY THE STATE, SOME OF THE INCREASES IN STATE EDUCATION FUNDING THAT SAID SECTION 17 OF ARTICLE IX REQUIRES WILL AFFECT THE AMOUNT OF MONEY AVAILABLE TO FUND OTHER STATE PROGRAMS AND SERVICES.

- (c) In enacting legislation to implement section 17 of article IX of the state constitution, it is the duty, intent, and legislative prerogative of the general assembly to mitigate any adverse impact that the state education funding requirements of said section 17 of article IX may have on the financial condition of the state and other state programs and services by ensuring that moneys are credited to the state education fund, invested while in the fund, and expended from the fund in a manner that will ensure that the fund remains viable and that fund moneys will always be available to meet a significant portion of the long-term state education funding requirements of said section 17 of article IX.
- (d) This article reflects the considered judgment of the general assembly regarding the meaning and implementation of the provisions of section 17 of article IX of the state constitution.
- **22-55-102. Definitions.** As used in this article, unless the context otherwise requires:
- (1) "ACCOUNTABILITY REPORTING" MEANS ANY REQUIREMENT ESTABLISHED IN LAW THAT MANDATES PUBLIC SCHOOL DISTRICTS TO REPORT OR PROVIDE INFORMATION RELATIVE TO SCHOOL IMPROVEMENT TO THE STATE BOARD OR THE DEPARTMENT, INCLUDING, BUT NOT LIMITED TO:
- (a) Data collection and reporting requirements that are required pursuant to part 6 of article 7 of this title in connection with school report cards:
- (b) REPORTING REQUIREMENTS IN CONNECTION WITH THE ADMINISTRATION AND IMPLEMENTATION OF THE COLORADO STUDENT ASSESSMENT PROGRAM DEVELOPED PURSUANT TO PART 4 OF ARTICLE 7 OF THIS TITLE; OR
- (c) REQUIREMENTS RELATED TO THE EDUCATION ACCREDITATION PROCESS SET FORTH IN ARTICLE 11 OF THIS TITLE.
- (2) (a) "ACCOUNTABLE EDUCATION REFORM" MEANS ANY PROGRAM OR PLAN FOR REFORMING PRESCHOOL THROUGH TWELFTH GRADE EDUCATION IN THE STATE THAT COMPLIES WITH ACCOUNTABILITY STANDARDS IMPOSED BY LAW ON PUBLIC SCHOOL DISTRICTS IN THE STATE, INCLUDING, BUT NOT LIMITED TO, THE REQUIREMENTS SET FORTH IN:
 - (I) PART 6 OF ARTICLE 7 OF THIS TITLE RELATING TO SCHOOL REPORT CARDS; AND
- (II) PART 4 OF ARTICLE 7 OF THIS TITLE RELATING TO THE COLORADO STUDENT ASSESSMENT PROGRAM.
 - (b) "ACCOUNTABLE EDUCATION REFORM" INCLUDES ANY PROGRAM OR PLAN FOR

IMPROVING TEACHER QUALITY.

- (c) "ACCOUNTABLE EDUCATION REFORM" INCLUDES ANY PROGRAM FOR IMPROVING STUDENT ACADEMIC ACHIEVEMENT THAT CONFORMS WITH THE REQUIREMENTS OF FEDERAL PROGRAMS RELATED TO STUDENT ACHIEVEMENT.
- (3) "ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS" INCLUDE, BUT ARE NOT LIMITED TO, PROGRAMS DESIGNED TO ASSIST STUDENTS IN DEMONSTRATING IMPROVED ACADEMIC ACHIEVEMENT ON STUDENT ASSESSMENTS ADMINISTERED UNDER THE COLORADO STUDENT ASSESSMENT PROGRAM DEVELOPED PURSUANT TO PART 4 OF ARTICLE 7 OF THIS TITLE. "ACCOUNTABLE PROGRAMS TO MEET STATE ACADEMIC STANDARDS" INCLUDE, BUT ARE NOT LIMITED TO, PROGRAMS:
 - (a) FOR THE PURCHASE OF ADDITIONAL OR IMPROVED TEXTBOOKS;
 - (b) TO PROVIDE INCENTIVES TO INCREASE PARENTAL INVOLVEMENT;
 - (c) TO IMPROVE LITERACY; OR
- (d) To provide assistance with English language proficiency beyond what is currently provided pursuant to the English language proficiency program established pursuant to section 22-24-104.
 - (4) "CATEGORICAL PROGRAMS" INCLUDE ONLY THE FOLLOWING PROGRAMS:
 - (a) Public school transportation as described in article 51 of this title;
- (b) THE ENGLISH LANGUAGE PROFICIENCY PROGRAM CREATED IN SECTION 22-24-104;
- (c) The expelled and at-risk student services grant program created in section 22-33-205;
- (d) Special education programs for Children with disabilities as described in article 20 of this title;
- (e) Special education programs for gifted children as described in article 20 of this title:
- (f) THE GRANT PROGRAM FOR IN-SCHOOL OR IN-HOME SUSPENSION DESCRIBED IN ARTICLE 37 OF THIS TITLE;
 - (g) VOCATIONAL EDUCATION AS DESCRIBED IN ARTICLE 8 OF TITLE 23, C.R.S.;
- (h) SMALL ATTENDANCE CENTERS FOR WHICH STATE AID IS AVAILABLE PURSUANT TO SECTION 22-54-122;
- (i) The comprehensive health education program created in Section 22-25-104; and
 - (j) OTHER CURRENT AND FUTURE ACCOUNTABLE PROGRAMS SPECIFICALLY

IDENTIFIED IN STATUTE AS A CATEGORICAL PROGRAM.

- (5) "DEPARTMENT" MEANS THE DEPARTMENT OF EDUCATION CREATED AND EXISTING PURSUANT TO SECTION 24-1-115, C.R.S.
- (6) "Inflation" means the percentage change in the consumer price index for the Denver-Boulder consolidated metropolitan statistical area for all urban consumers, all goods, as published by the United States department of Labor, bureau of Labor statistics, or its successor index.
- (7) "KINDERGARTEN PROGRAMS" INCLUDE, BUT ARE NOT LIMITED TO, THE FULL-DAY KINDERGARTEN PROGRAM DESCRIBED IN SECTION 22-28-104 (2) (d) (II).
- (8) "PERFORMANCE INCENTIVES FOR TEACHERS" INCLUDE, BUT ARE NOT LIMITED TO, PROGRAMS THAT:
 - (a) PROMOTE TEACHER RETENTION;
 - (b) PROMOTE TEACHER RECRUITMENT;
 - (c) PROMOTE TEACHER USE OF TECHNOLOGY; OR
- (d) PROVIDE SALARY INCENTIVES BASED IN WHOLE OR IN PART ON STUDENT PERFORMANCE.
- (9) "Preschool programs" include, but are not limited to, the state preschool program created pursuant to section 22-28-104.
- (10) "STATE BOARD" MEANS THE STATE BOARD OF EDUCATION CREATED AND EXISTING PURSUANT TO SECTION 1 (1) OF ARTICLE IX OF THE STATE CONSTITUTION.
- (11) "STATEWIDE BASE PER PUPIL FUNDING" MEANS THE AMOUNT SPECIFIED FOR EACH BUDGET YEAR IN SECTION 22-54-104 (5) (a).
- (12) "STATUTORY LIMITATION ON GENERAL FUND APPROPRIATIONS GROWTH" MEANS THE LIMITATION ON ANNUAL GENERAL FUND APPROPRIATIONS SET FORTH IN SECTION 24-75-201.1, C.R.S.
- (13) "STUDENT SAFETY" INCLUDES, BUT IS NOT LIMITED TO, ANY PLAN, PROGRAM, OR PROJECT DESIGNED TO IMPROVE THE SAFETY OF THE PHYSICAL ENVIRONMENT OF PRESCHOOL THROUGH TWELFTH GRADE STUDENTS WHILE ON PROPERTY OWNED OR UNDER THE CONTROL OF THE SCHOOL DISTRICT.
- (14) "TECHNOLOGY EDUCATION" INCLUDES, BUT IS NOT LIMITED TO, ANY PLAN, PROGRAM, OR PROJECT DESIGNED TO ENHANCE THE COMPUTER AND TELECOMMUNICATION SKILLS OF PRESCHOOL THROUGH TWELFTH GRADE STUDENTS AND TEACHERS OR IMPROVE INSTRUCTION THROUGH TECHNOLOGY APPLICATION.
- (15) "TOTAL PROGRAM" OR "TOTAL PROGRAM EDUCATION FUNDING" MEANS A DISTRICT'S TOTAL PROGRAM AS DETERMINED PURSUANT TO SECTION 22-54-104 (1).

- (16) "TOTAL STATE FUNDING FOR ALL CATEGORICAL PROGRAMS" MEANS THE AGGREGATE AMOUNT OF STATE FUNDING FOR ALL CATEGORICAL PROGRAMS IN ANY GIVEN FISCAL YEAR, INCLUDING ANY ADJUSTMENTS MADE TO SAID FUNDING THROUGH THE ENACTMENT OF A SUPPLEMENTAL APPROPRIATION BILL OR BILLS FOR THAT FISCAL YEAR.
- **22-55-103.** Statewide base per pupil funding increases. (1) (a) For school district budget years 2001-02 through 2010-11, the general assembly shall annually increase the statewide base per pupil funding for public education from preschool through the twelfth grade by at least the rate of inflation for the calendar year ending in the immediately preceding school district budget year plus one percentage point.
- (b) For the school district budget year 2011-12 and each school district budget year thereafter, the general assembly shall annually increase the statewide base per pupil funding for public education from preschool through the twelfth grade by at least the rate of inflation for the calendar year ending in the immediately preceding school district budget year.
- (2) THE GENERAL ASSEMBLY MAY ANNUALLY APPROPRIATE MONEYS IN THE STATE EDUCATION FUND, THE GENERAL FUND, ANY OTHER STATE FUND, OR SOME COMBINATION THEREOF, AS NECESSARY IN THE SOLE DISCRETION OF THE GENERAL ASSEMBLY, TO SATISFY THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION, AND SUCH MONEYS SHALL BE DISTRIBUTED TO PUBLIC SCHOOL DISTRICTS IN ACCORDANCE WITH THE PROVISIONS OF THE "PUBLIC SCHOOL FINANCE ACT OF 1994", ARTICLE 54 OF THIS TITLE.
- **22-55-104.** Categorical programs increases in funding. (1) (a) For school district budget years 2001-02 through 2010-11, the general assembly shall annually increase the total state funding for all categorical programs by at least the rate of inflation for the calendar year ending in the immediately preceding school district budget year plus one percentage point.
- (b) For the school district budget year 2011-12 and each school district budget year thereafter, the general assembly shall annually increase the total state funding for all categorical programs by at least the rate of inflation for the calendar year ending in the immediately preceding school district budget year.
- (2) The general assembly may annually appropriate moneys in the state education fund, the general fund, any other state fund, or some combination thereof, as necessary in the sole discretion of the general assembly but consistent with section 17 (5) of article IX of the state constitution, to satisfy the requirements of subsection (1) of this section. The general assembly may annually determine the particular categorical programs for which state funding will be increased for purposes of complying with the requirements of subsection (1) of this section, and the allocation of such increase shall be reflected in the annual general appropriations bill.

- 22-55-105. Accountability. Each school district in the state shall include IN ITS ACCREDITATION CONTRACT ENTERED INTO WITH THE STATE BOARD IN ACCORDANCE WITH SECTION 22-11-201 A CONTINUOUS PLAN FOR THE USE OF REVENUES DISTRIBUTED TO THE SCHOOL DISTRICT PURSUANT TO SECTIONS 22-55-103 AND 22-5-104. THE PLAN SHALL BE ANNUALLY UPDATED BY THE SCHOOL DISTRICT TO REFLECT ANY CHANGES IN THE USE OF THE REVENUES DISTRIBUTED TO THE SCHOOL DISTRICT PURSUANT TO SECTIONS 22-55-103 AND 22-55-104. THE PLAN SHALL INCLUDE, BUT NEED NOT BE LIMITED TO, A STATEMENT CONCERNING THE NEED FOR LOWER CLASS SIZES IN SCHOOL DISTRICTS WITH A TOTAL ENROLLMENT OF MORE THAN SIX THOUSAND PUPILS AND THE NEED FOR INCREASED FUNDING FOR TEXTBOOKS IN THE SCHOOL DISTRICT AS DETERMINED BASED ON DISCUSSIONS IN PUBLIC MEETINGS HELD IN THE SCHOOL DISTRICT TO ADDRESS THE CLASS SIZE AND TEXTBOOK FUNDING ISSUES AND WHETHER THE NEED WILL BE ADDRESSED BY THE PLAN. EACH SCHOOL DISTRICT SHALL ALSO INCLUDE IN ITS ELECTRONIC TRANSMISSIONS REQUIRED BY SECTION 22-7-603 (3) (d) AN ACCOUNTING OF THE IMPACT OF SUCH REVENUES ON STUDENT ACHIEVEMENT.
 - **SECTION 2.** 22-7-603 (3) (d), Colorado Revised Statutes, is amended to read:
- **22-7-603. State data reporting system.** (3) The specific responsibilities of each school district shall include:
- (d) Electronically transmitting required data elements AND AN ACCOUNTING AS REQUIRED BY SECTION 22-55-105 to the appropriate processing locations in accordance with guidelines established by the department;
- **SECTION 3.** 22-11-201 (4), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:
- **22-11-201.** Accreditation contract. (4) Contract requirements management. (c) The accreditation contract shall also contain a plan for the use of revenues distributed to the school district pursuant to sections 22-55-103 and 22-55-104 for the term of the contract. If the contract is renegotiated pursuant to paragraph (b) of subsection (6) of this section, the plan shall be updated to reflect any changes in the use of the revenues distributed to the school district pursuant to sections 22-55-103 and 22-55-104.
- **SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 30, 2001